

## Message Text

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ORIGIN SS-15

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DRAFTED BY:S/S-O:DLMACK

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FM SECSTATE WASHDC

TO USDEL SECRETARY PRIORITY

C O N F I D E N T I A L STATE 248255 TOSEC 290007

EXDIS FOR ATHERTON

FOLLOWING REPEAT CAIRO 13556 ACTION SECSTATE OCT 5.

QUOTE: C O N F I D E N T I A L CAIRO 13556

E.O. 11652: GDS

TAGS: EAID EFIN EG

SUBJ: EGYPT'S FINANCIAL PICTURE: FEW CHANGES IN SHORT-TERM

REF: CAIRO 12825

1. IMF REP DICKEY, WHOSE STUDIES OF THE EGYPTIAN FINANCIAL PICTURE HAVE LED HIM TO CONCLUDE THAT \$250 MILLION IS REQUIRED FOR MONTH OF OCTOBER (REFTEL), REPORTS THAT THERE IS STRONG POSSIBILITY THAT \$50 MILLION FROM ABU DHABI WILL BECOME AVAILABLE IN NEXT FEW DAYS. THIS WILL SERVE TO REDUCE SOMEWHAT HIS GROWING CONCERN THAT EGYPT MAY NOT MAKE IT THROUGH THE MONTH. HE ADDED THAT GOE HAS TAKEN \$100 MILLION IN FOREIGN EXCHANGE FROM COMMERCIAL BANKS, WHICH HAS ALREADY BEEN UTILIZED, IN EFFORT TO COVER MOST PRESSING NEEDS (SUPPLIERS CREDITS, CORRESPONDENT BANK FACILITIES) IN ORDER TO KEEP SUPPLIES COMING.

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2. DICKEY SAYS HE CONTINUES TO BE DISTRESSED BY

LACK OF CONCERN AND/OR UNDERSTANDING ON PART OF EGYPTIAN OFFICIALS AS TO NATURE AND MAGNITUDE OF PROBLEM. AMOUNT OF ATTENTION BEING FOCUSED ON ONGOING ELECTION, PARTICULARLY AS EVINced BY MINFIN ABU ISMAIL, IS IMPEDING HIS EFFORTS. SENSE OF URGENCY, HE REPORTS, IS LACKING THROUGHOUT GOE'S FINANCIAL STRUCTURE AND HIS GRIM FORECASTS ARE MET WITH POLITE AND OFTEN AMUSED SMILES.

3.COMMENT: DICKEY,WHO MAINTAINS A HIGH FRUSTRATION THRESHOLD,ANTICIPATES THAT THE ARRIVAL OF KHALID IKRAM (IBRD) IN CAIRO OCTOBER 6 MAY ASSIST HIM TO ATTRACT ATTENTION TO THE ONCOMING CRUNCH. ON BASIS OUR EXPERIENCE, IKRAM MAY INDEED BE OF SOME HELP. LIKE DICKEY, HE HAS BECOME SOMEWHAT PESSIMISTIC ABOUT ABILITY OF GOE TO DEAL WITH ITS PROBLEMS, BUT CAN BE EXPECTED NOT TO PULL HIS PUNCHES.  
EILTS UNQUOTE ROBINSON

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